

**Statement of Ken Fletcher
Associate Executive Director for Government Relations
In Opposition to HB 4612**

The Michigan Nurses Association is strongly opposed to House Bill 4612.

Our nurses know firsthand the devastation that can be caused by a serious auto accident. They are there at every step of the process, beginning when the victim is first brought into the emergency department. They know what is needed to treat these patients and they know what will be needed for their long-term care. They also know how expensive it can be to provide the needed care.

That is why we support preserving Michigan's current no-fault auto insurance system which has well served the residents of this state for over 40 years.

When no-fault was enacted in 1972, a promise was made to motorists that "all reasonable charges incurred for reasonably necessary products, services and accommodations for an injured person's care, recovery or rehabilitation" would be covered by their auto insurance policy should they be harmed in a serious accident.

House Bill 4612 breaks that promise. By capping benefits at \$1 million, accident victims will be left unable to afford the life-saving and rehabilitative care they need. This bill will ultimately shift the cost for their care from the very profitable insurance companies onto the taxpayers of Michigan by forcing accident victims to go into the Medicaid system.

These bills will place the insurance companies, not the accident victim's own doctor, in the role of deciding what is "medically appropriate and medically necessary" for their care. Under House Bill 4612, treatment decisions will now be made by an insurance company bureaucrat whose only concern is protecting the bottom line of the company.

In addition, this bill limits rehabilitation and attendant care benefits. If we are no longer going to provide rehabilitation for accident victims or provide them with affordable in-home care, then what are we going to do with these victims? Just warehouse them in a nursing home? Is that what you would want for your loved one?

What do motorists get in return for this potentially catastrophic reduction in benefits? A one-time \$125 rate reduction. After that one-time reduction, there is no guarantee that rates will

go down. Motorist could be giving up the care that they need if they are seriously injured for a few bucks in savings.

To make matters worse, motorist are not even guaranteed the one-time rate reduction. House Bill 4612 includes a "hardship" loophole for insurers to get out of reducing rates in the first year. Motorists might not see any savings at all under House Bill 4612.

So who really benefits from this bill? Accident victims will have their care reduced and capped. Motorists will not be guaranteed an on-going rate reduction. It appears that the only ones who will benefit from this bill are the insurance companies who will now be able to make even greater profits because they will no longer have to provide care or services. This bill appears to be nothing more than yet another corporate give-away at the expense of hard working Michigan families.

The voters of Michigan have repeatedly said they want to preserve Michigan's no-fault system. Please respect their wishes and do what is right for the victims of serious accidents.

The Michigan Nurses Association is more than willing to support reasonable, responsible changes to Michigan's no-fault system to enhance the system and reduce costs. What we are not willing to do is destroy the current system.

We ask that you do what is right and vote "No" on House Bill 4612. Thank you.